

WESTERN CANADA

NNN INVESTMENT SALES OVERVIEW

— 2025 —

Marcus & Millichap
Western Canada NNN Group

2025 NNN

INVESTMENT SALES OVERVIEW

The 2025 NNN investment market across Western Canada continues to demonstrate strength and stability, supported by renewed investor confidence, strong retail fundamentals, and improved borrowing conditions. Recent interest rate cuts have eased financing costs and helped re-energize activity across the region. Essential-service retailers, including QSR, automotive, convenience, drug, financial, and grocery, remain key drivers of performance, attracting capital for their stability and consistent tenant demand.

A robust leasing environment, combined with cash flow emerging as the primary investor focus, has contributed to a resurgence of unconditional offers on stabilized NNN and absolute net-leased assets. By late Q3, transaction velocity had strengthened significantly, with high-quality assets achieving strong pricing. With expectations of further rate reductions and continued private-capital activity, the outlook for income-producing retail remains highly positive heading into 2026.



OUR COMPETITIVE ADVANTAGE LIES IN OPERATING AS A COLLABORATIVE, BOUTIQUE BROKERAGE WITH THE HORSEPOWER OF AN INTERNATIONAL BROKERAGE. OUR SPECIALIZATION IN NNN PROPERTIES HAS ALLOWED OUR GROUP TO DEVELOP ONE OF THE MOST EXTENSIVE DATABASES OF NATIONAL, REGIONAL, AND LOCAL INVESTORS, TENANTS, AND LANDLORDS.

PRIVATE INVESTORS

Private investors continued to dominate the 2025 landscape across all asset classes. Typically with strong cash positions, these investors have been the most active purchasers, driving transaction volume even as capital markets adjusted to shifting interest rates. The \$10M-and-under income-producing property segment remained exceptionally liquid, supported by strong lender appetite for stabilized NNN product. A notable trend this year is a generational shift, with long-held family portfolios beginning to divest, bringing more high-quality retail assets to market and adding depth to the 2025 offering environment.

RETAIL PROPERTIES

Retail assets, notably automotive (incl. gas), quick-service restaurant, drug, grocery and convenience, continued to anchor investor demand in 2025. Well-located properties leased to nationally backed tenants with long-term covenants attracted multiple offers and achieved near-asking prices. We also saw a clear re-emergence of unconditional offers, with buyers moving quickly and decisively on stabilized NNN and absolute net-leased assets to secure strong cash-flow opportunities. The retail leasing market has remained exceptionally strong, supported by upward pressure on lease rates, limited available space, and sustained tenant demand. This solid leasing backdrop has reinforced investor confidence across all retail categories.

ALBERTA & SASKATCHEWAN MARKETS

Alberta has remained one of the top-performing NNN investment markets in Western Canada in 2025. Strong population growth, continued in-migration, healthy retail sales, and a resilient employment base have created a highly competitive environment for income-producing retail assets. All buyer profiles, including private investors, syndicators, and institutions, are actively targeting Alberta-based NNN opportunities due to the province’s attractive cap rates and consistent tenant performance. Calgary and Edmonton continue to see steady deal flow across all price points, while secondary centers such as Red Deer, Lethbridge, and Grande Prairie are attracting significant interest from buyers seeking yield and scale. Alberta’s favorable economic fundamentals and expanding retail footprint have firmly positioned the province as the leading market for NNN investment in Western Canada during 2025.

GENERAL MARKET CONDITIONS

Economic indicators across Western Canada remained stable through 2025, with moderating inflation, steady employment growth, and improving access to capital. The Bank of Canada’s recent policy adjustments, reducing the overnight rate from 2.75% to 2.25%, helped ease financing costs and contributed to an encouraging shift in market sentiment. Investors who were cautious earlier in the year have returned with renewed confidence, resulting in increased liquidity across retail asset classes, expedited transaction timelines, and strong demand for stable income-producing property. As capital deployment accelerated through mid-2025, transaction velocity improved noticeably, supported by a more optimistic outlook and strengthening market fundamentals.

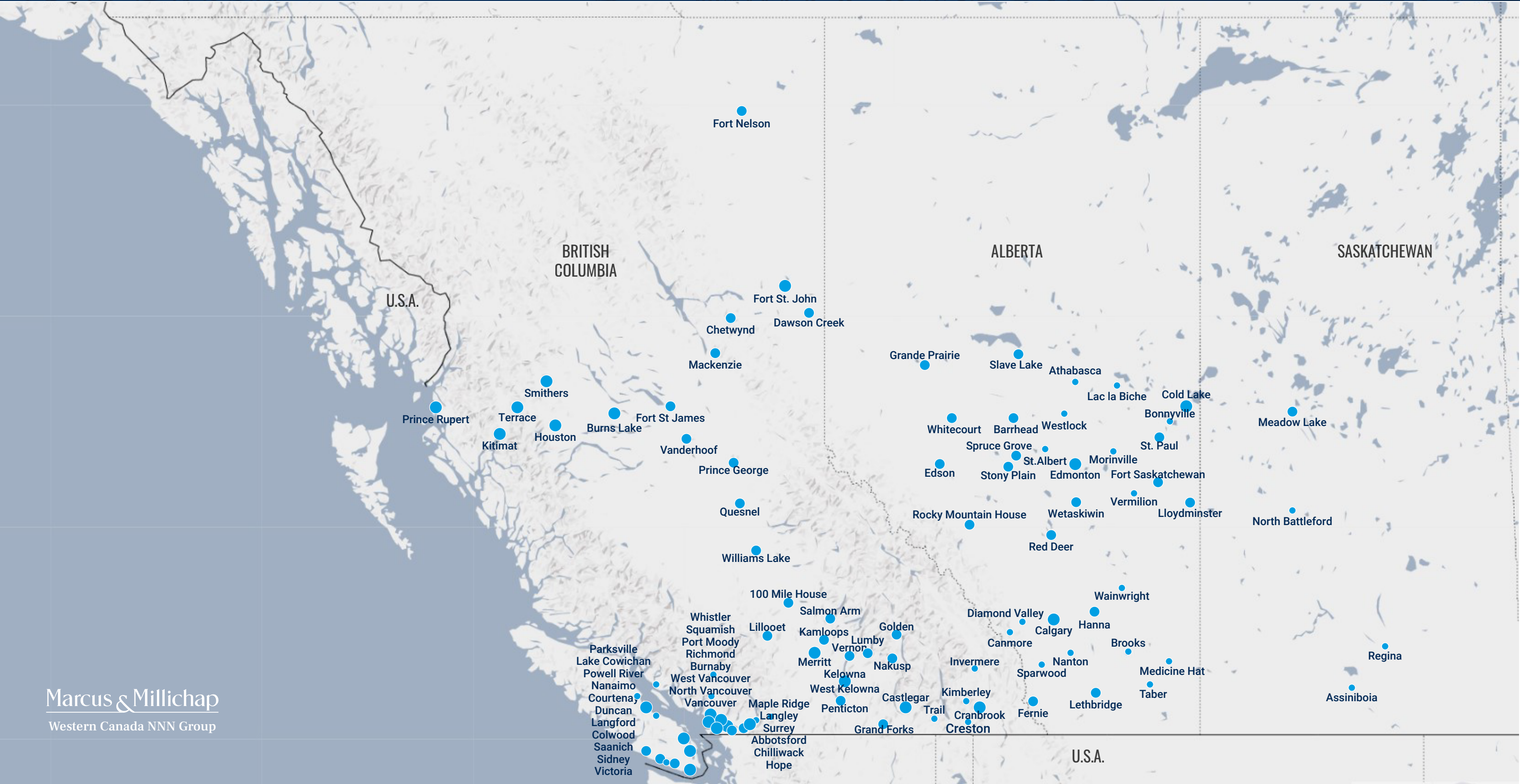
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FORWARD OUTLOOK

With improved borrowing conditions, a strong pipeline of product, and sustained demand for corporate-covenant backed assets, the 2025 NNN market is positioned for a healthy finish to the year. Investor focus remains centered on stability, predictability, and income durability, with the sector continuing to outperform other asset classes on a risk-adjusted basis. Triple-net and absolute-net properties across Western Canada remain a preferred choice among private and select institutional investors, valued for their scale, security, and reliable long-term cash flow. With the continuation of an already evident generational shift, we expect more turnover as private owners vend assets historically held for decades, contributing to an increasingly active and diverse offering environment.

Market Presence

	Sales Volume	Transactions	Different Markets	In Categories Including:	
2025 Overview	\$162.4 M	38	27	<ul style="list-style-type: none">Automotive / Gas StationsCinema / EntertainmentDrug / PharmacyFinancial InstitutionFitnessGroceryGovernment <ul style="list-style-type: none">IndustrialLarge Format RetailerMid-box / Discount RetailerOfficeQuick Service Restaurant (Drive-Thru)Restaurants (Sit-Down)	
2020-2025	\$582.3 M	135	68		



Alberta Highlights

\$51.6 M
Sales Volume

12
Transactions

5.97% - 8.51%
Cap Rate Range

Featured Sale: 4 McLeod Ave, Spruce Grove, AB



100% leased to a diverse mix of national tenants including Starbucks, Kal Tire, RBC, The Brick Mattress Store, and the Canadian Brewhouse.



Five buildings totaling 29,385 SF across 4.70 acres and including two drive-thrus.



Strategically positioned within an established daily-needs retail node in the heart of Spruce Grove, offering direct access to and from major thoroughfares, including Highway 16.

Metro Vancouver Highlights

\$48.4 M
Sales Volume

11
Transactions

3.24% - 5.56%
Cap Rate Range

Featured Sale: 10 SE Marine Dr, Vancouver, B.C.



Rare single-tenant drive-thru in Vancouver with **141 feet of frontage on SE Marine Drive.**



100% leased to Wendy's on a landlord-friendly NNN lease through 2028.



High-visibility arterial location near daily-needs retail, major development, and Langara College.

Vancouver Island Highlights

\$20.4 M

Sales Volume

4

Transactions

5.49% - 6.74%

Cap Rate Range

Featured Sale: 2275 Cliffe Avenue, Courtenay, B.C.



Prime exposure along Cliffe Avenue / Highway 19A (+10,500 VPD), the main commercial corridor servicing the greater Comox Valley.



Leased to Midas, a nationally recognized automotive service brand with additional 5,500 SF of yard space leased to Kal Tire Ltd.



NNN Lease with minimal landlord responsibilities.

Interior / Northern B.C. Highlights

\$41.9 M

Sales Volume

12

Transactions

4.73% - 8.91%

Cap Rate Range

Featured Sale: 2703 Highway 97 N, Kelowna, B.C.



Rare 1-acre opportunity featuring two standalone QSR buildings, each equipped with its own dedicated drive-thru.



Prime corner site in central Kelowna with direct Highway 97 frontage, one of B.C.'s busiest corridors with 61,600+ VPD.



Anchored by Starbucks and A&W, offering strong corporate backing and NNN leases that minimize landlord obligations.

2025 NNN Portfolio Highlights

\$32.2 M
Sales Volume

22
Properties

6.19% - 8.71%
Cap Rate Range

Featured Portfolio Sale: B.C. Kal Tire Portfolio

KAL TIRE PORTFOLIO 1

SEVEN (7) PROPERTIES
ACROSS BRITISH
COLUMBIA



KAL TIRE PORTFOLIO 2

EIGHT (8) PROPERTIES
ACROSS BRITISH
COLUMBIA



Featured Portfolio Sale: B.C. 7-Eleven Gas Bar Portfolio



All properties are tenanted by **Kal Tire Ltd.**, one of Canada's most recognized automotive brands, which has operated for over 70 years and has more than 260 retail locations nationwide.



All properties are strategically **located in highly visible**, prime areas within their respective markets.



A third tranche is expected to launch in the new year and will include approximately **nine properties across Alberta, Saskatchewan, and Manitoba.**



Longstanding convenience stores with national fuel partners.



4 properties leased to 7-Eleven Canada Inc. on a completely carefree basis with no landlord responsibilities



Exceptionally located within their respective markets on hard corners complemented by multiple access points

2025 ASSET TYPES

QUICK SERVICE RESTAURANTS

45604 AIRPORT ROAD
CHILLIWACK, B.C.



FINANCIAL INSTITUTION

3960 FRANCIS ROAD
RICHMOND, B.C.



GAS & CONVENIENCE

2150 RUTLAND ROAD
KELOWNA, B.C.



AUTOMOTIVE

1010 WESTRIDGE
STRATHMORE, AB



PHARMACY

804 MAIN STREET
AIRDRIE, AB



INDUSTRIAL

4115 16 AVENUE SE
CALGARY, AB



Marcus & Millichap’s Western Canada NNN Team brings specialized expertise across all core retail asset classes, including QSR, financial institutions, gas & convenience, automotive, pharmacy, and industrial, leveraging deep market knowledge, a robust investor database, and a proven track record executing stabilized NNN and absolute net-leased transactions across Western Canada.

\$162 M **2025**
NNN SALES
VOLUME

ADDITIONAL 2025 TRANSACTIONS



310-340 ROBSON STREET
VANCOUVER, B.C.



933 DOUGLAS STREET
VICTORIA, B.C.



1040 ALASKA AVENUE
DAWSON CREEK, B.C.



101 LONSDALE AVENUE
NORTH VANCOUVER, B.C.



263 GREGG AVENUE
HINTON, AB



737 GOLDSTREAM AVENUE
LANGFORD, B.C.



4316 & 4318 52 STREET
VERMILLION, AB



8989-8999 YOUNG ROAD
CHILLIWACK, B.C.



225 28 STREET
LETHBRIDGE, AB



945 MCMASTER WAY
KAMLOOPS, B.C.



33640 SOUTH FRASER WAY
ABBOTSFORD, B.C.



5401 43 STREET
BONNYVILLE, AB



2550 16 AVENUE
COLD LAKE, AB



10803 91 AVENUE
FORT ST. JOHN, B.C.

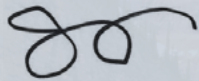


9704 112TH STREET
FORT ST. JOHN, B.C.



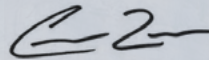
16 NELSON DRIVE
SPRUCE GROVE, AB

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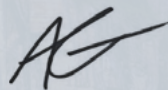
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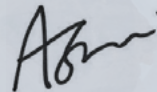
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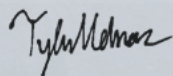
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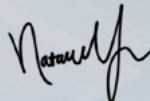
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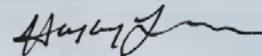
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